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3 June 1954

YES ONLY

MEMORANDUM FOR THE RECORD

SUBJECT: Points Covered in [ ] Discussions of June 1 and 2.

1. The following is a list of the points which were discussed in the above mentioned conversations, together with an indication of the extent of agreement reached and/or the policy guidance provided to each.

2. Concerning further airborne leaflet drops [ ] advised [ ] we were considering the desirability and timing of additional leaflet drops. He explained we might wish to do this at any time and moreover that there might be occasion to use [ ] (who have been recruited on an unwitting basis) for certain of these flights. But that the use of such pilots would be reserved for flights involving the use of particularly significant and important pamphlets and where accuracy of delivery is a special requirement. [ ] further stated that the operating headquarters had been directed to explore fully and carefully the possibility of using indigenously procured planes and indigenous pilots for certain of the leaflet drops viz. those of lesser importance and of shorter length, not requiring such deep penetration. [ ] stated he saw no objection from a policy standpoint. [ ] recommended that we give further consideration to the use of leaflet rocket bombs especially for the area of the capital city. These are simple devices the release of which is both easily and capable of accomplishment with little risk.

3.\* The evidence of an additional and very substantial purchase of arms [ ] was also discussed with [ ] who requested that we do everything we can to procure documentary evidence of the purchase and application for export license. Considered and rejected was the thought of letting the shipment go through and then attempting to waylay it shortly before arrival at destination. This course of action was considered too risky and as involving unnecessary operational difficulties as well as raising more policy problems than the course of action calculated to prevent shipment of arms [ ]. Moreover it was considered that documentary evidence of the purchase and application for export license should make a sufficiently valuable

\* This subject covered and disposed of one basis [ ] telephone conversation of Saturday morning, June 5, UNLESS after examination of available documents and photostats [ ] would still desire the original OR a copy of the application for export license, in which case Embassy Rome could probably obtain special request.

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contribution to the department's "case" against Guatemala. It was understood that the possibilities of obtaining the documents would be explored by CIA, and that if it should prove to be necessary to employ Embassy approach to the [ ] [ ] would wish to be advised so that he can clear this with EUR. An important unresolved question in this regard is whether the original documents are required for presentation at the OAS meeting. If the method of obtainment is to be clandestine then it would probably be an embarrassment to present the originals at the meeting, since it would be more difficult to explain how they were come by in original form than would be the case if photostats were used (photostats can be obtained in various ways, but official original documents would have to be obtained officially if it were not to appear clearly that they had been stolen).

4. The problem of shaking loose our [ ] in order to dispatch him promptly to [ ] was brought to the attention of [ ] and he agreed to provide his full support in the Department and with the Embassy in [ ] if this is necessary.

5. Concerning one very sensitive type of treatment, which was raised directly for the first time by [ ] in his memo prepared here, [ ] considered this and ruled it out, at least for the immediate future, on the ground that it would probably prove to be counter-productive. This decision was not conclusive and [ ] suggested that we come up with more specific plans both concerning the individual targets, the timing and the statement of the purpose sought to be achieved with respect to each. This would require a fairly solid showing of the advantage to be gained by this type of activity.

6. The petroleum supply situation was discussed at some length and reaffirmed his decision against efforts prior to the OAS conference to prevail upon the suppliers by means of direct approach to them to delay, slowdown and interrupt shipments. At the same time he approved of and encouraged us to embark upon a carefully selected series of attempts against certain installations. The hope was expressed that if results can be achieved of the right kind, these results might in themselves cause more general benefit by engendering disinclination on the part of suppliers to ship the goods.

7. It was agreed by [ ] that we might establish direct liaison with [ ] for the purpose of exchanging ideas and information with [ ]

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him regarding statements and other forms of policy and propaganda output. [ ] was to speak to [ ] and [ ] was to pass the word to [ ]

1 cc: Assistant Secretary [ ]

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